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Learning to foresee the effects of social identity complexity and need for social approval on technology brand loyalty☆

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ABSTRACT

The rapidly growing technological pervasion and virtual communities have drastically changed the way people evaluate a technology brand in tradition. For that reason, this study explores technology brand loyalty to verify its key predictors and mediators for understanding such loyalty in depth. Specifically, this study predicts the effects of social identity complexity and need for social approval on technology brand loyalty by simultaneously assessing the mediating mechanisms of susceptibility to normative influence (SNI) and susceptibility to personality congruence (SPC). Using a survey of 312 smartphone users from the high-tech, financial, and service industries, empirical testing confirms that perceived value and SPC are direct drivers for brand loyalty. Brand loyalty can be enhanced if a clear personality of the brand appears for its major consumers based on the findings of this study. The inferences drawn from the sample in Taiwan are more generalizable to consumers in Asia rather than those in Europe.

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1. Introduction

As brand loyalty and perceived value are key factors for maintaining business advantages in severe global competition, strengthening these factors has become a primary strategic part of the value chain or points of product differentiation (e.g., Floh & Treiblmaier, 2006; Sirgy et al., 2008; Ulaga & Eggert, 2006). Perceived value is critical for brand loyalty since it captures people's overall assessment of a brand based on psychological perceptions of what is received and what is given (Monsuwé et al., 2004). An effective way for increasing consumers' perceived value and brand loyalty is to improve their social factors (e.g., social identity complexity and need for social approval) and personal trait factors (e.g., consumer innovativeness and consumer efficacy) respectively (Orth & Kahle, 2008; Sirgy et al., 2008). For example, it has been found that social identity complexity affects people's susceptibility to normative influence with downstream effects on perceived brand benefits and brand choice (Orth & Kahle, 2008; Sirgy et al., 2008). Similarly, technology-related innovativeness and efficacy (Monsuwé et al., 2004) have been found to be associated with attitude, eventually influencing loyalty (Floh & Treiblmaier, 2006; Monsuwé

et al., 2004). Nevertheless, little research has examined whether consumers' susceptibility to normative influence (SNI) and susceptibility to personality congruence (SPC) as mediators exist to contribute to influencing perceived value and brand loyalty. Hence, this study not only includes the above key determinants (e.g., social identity complexity, social approval), but also covers potential mediating variables (i.e., SNI and SPC) rarely discussed in the literature. Without thorough research on such mediators as SNI and SPC, our understanding of perceived value will remain limited, and management initiatives directed at building brand loyalty will remain unjustifiable and based on blind faith (Eisend, 2008).

SNI is defined as consumers' need to identify with or enhance their image in the opinion of significant others through the acquisition and use of a brand (Orth & Kahle, 2008), while SPC is defined as a match between the personality of a brand and that of its consumers (e.g., Govers & Mugge, 2004). Despite their differences among different consumers, SNI and SPC are seldom taken into account in the literature to explain perceived value and brand loyalty. There is scant research on whether SNI and SPC mediate the relationships among brand loyalty, perceived value, and their exogenous determinants. This study complements previous research by empirically testing the full mediations of SNI and SPC so that effective ways of improving perceived value and brand loyalty can be provided for management.

The notion of technology brand loyalty in this study extends the traditional product loyalty concept to explain the brand loyalty of technology users. Even though the underlying theoretical foundations of traditional product loyalty and the newly defined phenomena of

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technology brand loyalty are partially similar (e.g., perceived value), the technology brand has its uniqueness that does not exist in traditional product (e.g., innovativeness). To complement the literature, this study interprets brand loyalty in terms of technology users' behavior to explore crucial predictors (e.g., efficacy, innovativeness, social approval) for understanding technology brand loyalty in depth.

This study differs from previous research in two important ways. First, this study is one of the few to test both SNI and SPC respectively as key mediators based on the social identity theory and self-congruence theory. Given social identity as the portion of an individual's self-concept derived from perceived membership in a relevant social group (e.g., a user group of smartphones), social identity theory introduces the concept of social identity as a way in which to explain how people's perceived membership affects their behavior (Abrams & Hogg, 1990; Han et al., 2012; Hsu et al., 2013; Yeh, 2012). At the same time, self-congruence theory postulates that consumers prefer those brands carrying symbolic value that matches their self-image (Kuenzel & Halliday, 2010). Based on these two theories, our examining these mediators that simultaneously influence brand loyalty or perceived value provides insights for marketers to effectively manage their loyalty programs. Second, while a majority of empirical studies rely only on a one-time survey, this study is different by using primary survey data obtained from the same sample subjects twice with one month apart (i.e., perceived value and brand loyalty are surveyed at time 2, while the other factors are surveyed at time 1) to confirm the formation of perceived value and brand loyalty. Based on the critical advantages of our research indicated above, a clear understanding of how brand loyalty is actually driven by its antecedents and mediators can be successfully developed.

2. Research model and development of hypotheses

This study aims to elaborate technology brand loyalty based on an input–process–output (I-P-O) framework (e.g., (Echchakoui, 2016) (see Fig. 1). A key assumption underlying the I-P-O framework is that albeit exploring input–output relationships is critically an initial step in any research agenda (van der Vegt et al., 2009), an understanding and articulation of mediating mechanisms (i.e., processes) is specifically important for management to learn, forecast, and, eventually, improve a given system (Anderson et al., 2006). The term “process” should be recognized as a logic that explains a subtle relationship between predictors and outcome variables. This study uses the term “susceptibility” to capture what literature suggests by the term “psychological process.”

This study proposes a model that examines the formation of brand loyalty, its mediators, and its exogenous determinants. In the model, brand loyalty is directly affected by perceived value and SPC, while perceived value is directly affected by both SNI and SPC. At the same time, social identity complexity, need for social approval, consumer innovativeness, and consumer efficacy indirectly influence perceived value or brand loyalty through the mediation of SNI and SPC. Studying the perceptions of susceptibility (i.e., SNI and SPC) that influences perceived value and brand loyalty is important because these perceptions provide insights into the strength of the consumer motivation directly related to the probability of goal-relevant behavioral consequences (Eisend, 2008). In the model, the personal traits of consumer innovativeness and consumer efficacy are unlikely to have an effect on SNI because SNI as the tendency to conform to the expectations of social others is more likely driven by social and/or environmental contexts (e.g., social identity complexity and social approval) rather than personal traits. On the contrary, the social factors related to social identity and social approval are unlikely to have an effect on SPC because SPC that represents the level of agreement between the individuals' personality and their desired personality of a brand is irrelevant to social contexts. The development of our hypotheses is justified in detail in the following.

Perceived value of a brand results from an evaluation of the relative rewards and costs regarding the brand (e.g., pleasure, relaxation, convenience, social image, anxiety) (Chen et al., 2013; Shyu, 2014; Yang & Peterson, 2004). High value perceived by consumers is a primary motivator for brand loyalty. O'Brien & Jones (1995) indicate that perceived value is a key factor for developing brand loyalty in marketing. Brand loyalty can be achieved as long as the brand is perceived as valuable by consumers (Yang & Peterson, 2004). Previous literature has identified perceived value as a major predictor of consumer loyalty for a brand (e.g., Malai & Speece, 2005; Yang & Wang, 2010), suggesting a positive relationship between perceived value and brand loyalty.

Aside from perceived value, SPC is important for brand loyalty according to the self-congruence theory. The self-congruence theory suggests that a relationship exists between consumers' SPC (i.e., consumers' perception about a good match between their personality and the brand personality) and their continuous patronage of the brand that best expresses a set of the consumers' characteristics (Kressman et al., 2006). A brand carrying its personality closely associated with those consumers having a strong SPC can easily enable the consumers to portray their actual or desired self-image (Kuenzel & Halliday, 2010), strengthening a positive effect of SPC on brand loyalty (e.g., Magin et al., 2003). In light of the preceding arguments, the first hypothesis is derived as below.

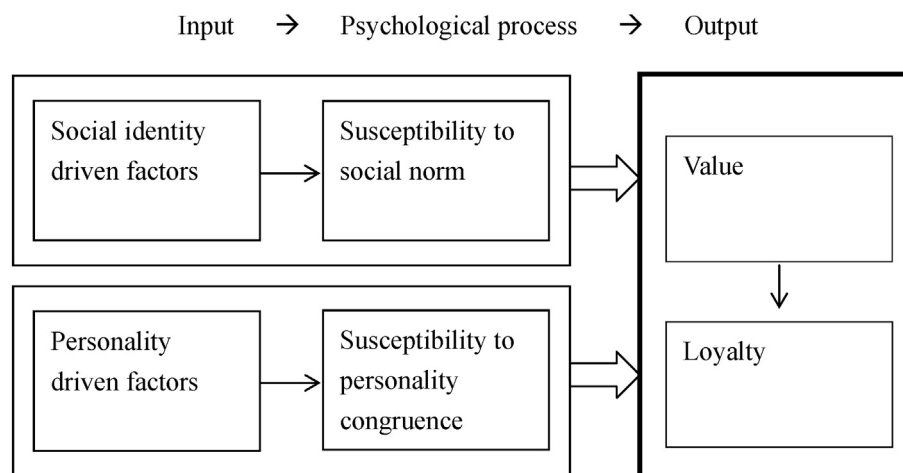


Fig. 1. The conceptual framework for the development of technology brand loyalty.

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